**DISCO Announces First Quarter 2022 Financial Results**

*Total Revenue of $34.5 Million, a Year over Year Increase of 63%*

AUSTIN, Texas - May 12, 2022 - CS Disco, Inc. ("DISCO") (NYSE: LAW) today announced financial results for its first quarter ended March 31, 2022.

"This quarter marked a milestone for DISCO with our first acquisition, bringing legal hold workflow technologies into our product portfolio and meeting our customers' demand to continue to deliver solutions beyond ediscovery," said Kiwi Camara, Co-Founder and CEO of DISCO. "In addition, our impressive results and growth continue to demonstrate how the market is embracing the shift from on-premise software to cloud software, the shift away from services to software-based solutions, and the adoption of artificial intelligence to improve legal outcomes."

**First Quarter 2022 Financial Highlights:**

- Total revenue was $34.5 million, up 63% compared to the first quarter of 2021.
- GAAP net loss was $11.8 million, compared to $2.9 million in the first quarter of 2021.
- Adjusted EBITDA was ($7.8) million, compared to ($1.9) million in the first quarter of 2021.

**Recent Business Highlights:**

- **Legal Hold Acquisition:** DISCO acquired legal hold workflow solutions from Congruity360, LLC in exchange for cash and contingent consideration. These critical legal workflow capabilities will integrate with DISCO's market-leading cloud-based ediscovery platform and provide a modern, digital solution for legal hold obligations and legal request compliance.
- **Early Matters Greater Austin:** DISCO was selected as a Best Place for Working Parents in Austin by Early Matters Greater Austin.

**First Quarter and Full Year 2022 Financial Outlook**

As of May 12, 2022, DISCO is issuing the following outlook for the second quarter of 2022 and fiscal year 2022:

Second quarter of 2022:

- Revenue in the range of $32.0 - $34.0 million, representing year-over-year growth between 8% and 15%.
- Adjusted EBITDA in the range of ($17.0) - ($15.0) million.

Fiscal year 2022:

- Revenue in the range of $149.0 - $153.0 million, representing year-over-year growth between 30% and 34%.
- Adjusted EBITDA in the range of ($51.5) - ($43.5) million.

DISCO's second quarter and fiscal year 2022 financial outlook is based on a number of assumptions that are subject to change and many of which are outside of our control. If actual results vary from these assumptions, our expectations may change. There can be no assurance that we will achieve these results.

Reconciliation of Adjusted EBITDA on a forward-looking basis to the most directly comparable GAAP measure is not available without unreasonable efforts due to the high variability and complexity and low visibility with respect to the charges excluded from this non-GAAP measure; in particular, the effects of stock-based compensation expense specific to equity

compensation awards that are directly impacted by unpredictable fluctuations in our stock price. We expect the variability of the above charges to have a significant, and potentially unpredictable, impact on our future GAAP financial results.

**Conference Call Information**

DISCO will host a conference call and webcast at 4:00 p.m. CT (5:00 p.m. ET) today, May 12, 2022, to discuss its first quarter 2022 financial results and business highlights. The conference call can be accessed by dialing (888) 550-5431 from the United States or +1 (646) 960-0807 internationally with conference ID 8394292. The live webcast of the conference call and other materials related to DISCO's financial performance can be accessed from DISCO's investor relations website at ir.csdisco.com.

Following the completion of the call until 10:59 p.m. CT (11:59 p.m. ET) on Thursday, June 2, 2022, a telephone replay will be available by dialing (800) 770-2030 from the United States, +1 (647) 362-9199 internationally with conference ID 8394292. A webcast replay will also be available at ir.csdisco.com for 12 months.

**About DISCO**

DISCO (NYSE: LAW) provides a cloud-native, artificial intelligence-powered legal solution that simplifies ediscovery, legal document review and case management for enterprises, law firms, legal services providers and governments. Our scalable, integrated solution enables legal departments to easily collect, process and review enterprise data that is relevant or potentially relevant to legal matters.

References to "DISCO," the "Company," "our" or "we" in this press release refer to CS Disco, Inc. and its subsidiaries on a consolidated basis.

**Use of Non-GAAP Financial Measures**

DISCO uses the following non-GAAP financial measures: Adjusted EBITDA, non-GAAP cost of revenue; non-GAAP gross profit; non-GAAP gross margin; non-GAAP research and development expense; non-GAAP sales and marketing expense; non-GAAP general and administrative expense; non-GAAP loss from operations; non-GAAP net loss attributable to common stockholders and non-GAAP net loss attributable to common stockholders per share (basic and diluted). Management believes that these non-GAAP financial measures are useful measures of operating performance because they exclude items that DISCO does not consider indicative of its core performance.

In the case of Adjusted EBITDA, DISCO adjusts net loss for such items as depreciation and amortization expense; income tax provision; interest and other, net; stock-based compensation expense; payroll tax expense on employee stock transactions and other one-time, non-recurring items, when applicable. In the case of non-GAAP cost of revenue, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses (research and development expense, sales and marketing, general and administrative), non-GAAP loss from operations, non-GAAP net loss attributable to common stockholders, and non-GAAP net loss attributable to common stockholders per share, DISCO adjusts the respective GAAP balances for stock-based compensation expense.

There are limitations associated with the use of these non-GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with GAAP, do not reflect a comprehensive system of accounting and may not be completely comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. Certain items that are excluded from these non-GAAP financial measures can have a material impact on operating loss and net loss. As a result, these non-GAAP financial measures have limitations and should be considered in addition to, not as a substitute for or superior to, the closest GAAP measures, or other financial measures prepared in accordance with GAAP.

DISCO's management uses these non-GAAP measures as measures of operating performance; to prepare DISCO's annual operating budget; to allocate resources to enhance the financial performance of DISCO's business; to evaluate the effectiveness

of DISCO's business strategies; to provide consistency and comparability with past financial performance; to facilitate a comparison of DISCO's results with those of other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results; and in communication with our board of directors concerning DISCO's financial performance.

**Forward-Looking Statements**

This press release contains forward-looking statements, including, among other things, statements regarding DISCO's future financial performance and the integration of acquired technology assets. Words such as "may," "should," "will," "believe," "expect," "anticipate," "target," "project," and similar phrases that denote future expectation or intent regarding DISCO's financial results, operations, and other matters are intended to identify forward-looking statements. You should not rely upon forward-looking statements as predictions of future events.

The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors that may cause DISCO's actual results, performance, or achievements to differ materially, including (i) our history of operating losses; (ii) our limited operating history; (iii) our ability to maintain and advance our innovation and brand; (iv) our ability to effectively add new customers; (v) our ability to effectively increase usage and penetration with our existing customer base; (vi) our ability to expand our sales coverage and establish a digital sales channel; (vii) our ability to expand internationally; (viii) our ability to extend and strengthen our channel partnerships and integrations; (ix) our ability to expand our offering portfolio to a wider range of legal processes outside of our current core offerings; (x) our ability to pursue strategic acquisitions and strategic investments to expand the functionality and value of our solution; (xi) our ability to comply or remain in compliance with laws and regulations that currently apply or become applicable to our business in the jurisdictions in which we operate; (xii) the potential that our computer or electronic systems, applications or services, or those of any third parties on whom we depend, fail or suffer security or data privacy breaches or other unauthorized or improper access to, use of, or destruction of our proprietary or confidential data, employee data, or personal data; (xiii) our ability to compete effectively with existing competitors and new market entrants; (xiv) general market, political, economic, and business conditions; and (xv) the impact that global events, such as the ongoing COVID-19 pandemic, including variants of COVID-19, or other public health crises, and the Russian military operations in Ukraine, and any related economic downturn could have on our or our customers' businesses, financial condition and results of operations.

The forward-looking statements contained in this press release are also subject to additional risks, uncertainties, and factors, including those more fully described in our filings with the Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 25, 2022, as amended on April 29, 2022. Further information on potential risks that could affect actual results will be included in the subsequent periodic and current reports and other filings that we make with the SEC from time to time, including our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022.

Forward-looking statements represent DISCO's management's beliefs and assumptions only as of the date such statements are made. We undertake no obligation to update any forward-looking statements made in this press release to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law.

**Investor Relations Contact**
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**CS DISCO, INC.**

**Condensed Consolidated Balance Sheets**
**(in thousands, except par value amounts)**
**(unaudited)**

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 238,576 | $ 255,477 |
| Accounts receivable, net | 24,930 | 20,740 |
| Other current assets | 3,662 | 4,634 |
| Total current assets | 267,168 | 280,851 |
| Property and equipment, net | 5,848 | 5,335 |
| Operating lease right-of-use assets | 609 | 864 |
| Intangible assets, net | 1,173 | — |
| Goodwill | 5,898 | — |
| Other assets | 384 | 351 |
| **Total assets** | $ 281,080 | $ 287,401 |
| **Liabilities, redeemable convertible preferred stock, and stockholders' equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 7,545 | $ 4,686 |
| Accrued expenses | 3,816 | 2,844 |
| Accrued salary and benefits | 4,503 | 7,955 |
| Deferred revenue | 3,035 | 2,175 |
| Operating leases | 627 | 890 |
| Finance lease | 70 | 99 |
| Total current liabilities | 19,596 | 18,649 |
| Other liabilities | 653 | 75 |
| Total liabilities | 20,249 | 18,724 |
| Commitments and contingencies | | |
| **Stockholders' equity** | | |
| Preferred stock $0.005 par value, 100,000 shares authorized and no shares issued and outstanding as of March 31, 2022 and December 31, 2021 | — | — |
| Common stock $0.005 par value, 1,000,000 shares authorized as of March 31, 2022 and December 31, 2021; 58,427 and 58,010 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively | 293 | 291 |
| Additional paid-in capital | 399,851 | 395,850 |
| Accumulated deficit | (139,313) | (127,464) |
| Total stockholders' equity | 260,831 | 268,677 |
| **Total liabilities, redeemable convertible preferred stock, and stockholders' equity** | $ 281,080 | $ 287,401 |

**CS DISCO, INC.**

**Condensed Consolidated Statements of Operations and Comprehensive Loss**

**(in thousands, except per share amounts)**

**(unaudited)**

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| Revenue | $ 34,468 | $ 21,131 |
| Cost of revenue | 8,969 | 5,788 |
| Gross profit | 25,499 | 15,343 |
| Operating expenses: | | |
| Research and development | 12,318 | 6,262 |
| Sales and marketing | 16,419 | 7,876 |
| General and administrative | 8,519 | 4,053 |
| Total operating expenses | 37,256 | 18,191 |
| Loss from operations | (11,757) | (2,848) |
| Other income (expense) | | |
| Interest and other income | 30 | 13 |
| Interest and other expense | (93) | (57) |
| Loss from operations before income taxes | (11,820) | (2,892) |
| Income tax provision | (29) | (36) |
| Net loss | $ (11,849) | $ (2,928) |
| Less accretion of redeemable convertible preferred stock | — | (26) |
| Net loss attributable to common stockholders | $ (11,849) | $ (2,954) |
| Net loss per share attributable to common stockholders, basic and diluted | $ (0.20) | $ (0.22) |
| Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted | 57,972 | 13,388 |

**CS DISCO, INC.**

**Condensed Consolidated Statements of Cash Flows**
**(in thousands)**
**(unaudited)**

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| Cash flow from operating activities: | | |
| Net loss | $ (11,849) | $ (2,928) |
| Adjustments to reconcile net loss to cash used in operations: | | |
| Depreciation and amortization | 455 | 424 |
| Stock-based compensation | 3,206 | 488 |
| Charge to allowance for credit losses | 180 | 130 |
| Non-cash operating lease costs | 255 | 242 |
| Non-cash interest | — | 21 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (4,370) | (2,171) |
| Other current assets | 965 | (75) |
| Other long-term assets | (39) | — |
| Accounts payable | 2,773 | 679 |
| Accrued expenses and other | (3,253) | (2,167) |
| Deferred revenue | 556 | 1,110 |
| Operating lease liabilities | (263) | (249) |
| Net cash used in operating activities | (11,384) | (4,496) |
| Cash flow from investing activities: | | |
| Purchases of property, equipment and capitalized internal-use software development costs | (631) | (586) |
| Cash paid for acquisitions | (5,310) | — |
| Net cash used in investing activities | (5,941) | (586) |
| Cash flow from financing activities: | | |
| Proceeds from public offering, net of underwriting discounts and commissions and other offering costs | (284) | — |
| Proceeds from exercise of stock options | 970 | 222 |
| Repurchase of common stock related to net share settlement | (233) | (50) |
| Principal payments on finance lease obligations | (29) | (27) |
| Net cash provided by financing activities | 424 | 145 |
| Net increase (decrease) in cash: | (16,901) | (4,937) |
| Cash & cash equivalents at beginning of period | 255,477 | 58,569 |
| Cash & cash equivalents at end of period | $ 238,576 | $ 53,632 |
| Supplemental disclosure: | | |
| Cash paid for interest | $ — | $ 12 |
| Cash paid for taxes | $ 102 | $ 16 |
| Non-cash investing and financing activities: | | |
| Accretion of preferred stock to redemption value | $ — | $ 26 |
| Property and equipment included in accounts payable and accrued liabilities | $ 244 | $ — |
| Acquisition holdback | $ 800 | $ — |
| Contingent consideration related to acquisition | $ 593 | $ — |

**CS DISCO, INC.**

**Reconciliation from GAAP to Non-GAAP Results**
**(in thousands, except for percentages and per share amounts)**
**(unaudited)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2022** | **2021** |
| **Net loss** | $ (11,849) | $ (2,928) |
| Depreciation and amortization expense | 455 | 424 |
| Income tax provision | 29 | 36 |
| Interest and other, net | 63 | 44 |
| Stock-based compensation expense | 3,206 | 488 |
| Payroll tax expense on employee stock transactions | 275 | 4 |
| Adjusted EBITDA | $ (7,821) | $ (1,932) |
| Adjusted EBITDA margin | (23)% | (9)% |

| | Three Months Ended March 31, | |
|---|---|---|
| | **2022** | **2021** |
| **Cost of revenue** | $ 8,969 | $ 5,788 |
| Non-GAAP adjustments: | | |
| Stock-based compensation expense | (160) | (8) |
| Non-GAAP cost of revenue | $ 8,809 | $ 5,780 |
| Non-GAAP gross profit | $ 25,659 | $ 15,351 |
| Non-GAAP gross margin | 74 % | 73 % |

| | Three Months Ended March 31, | |
|---|---|---|
| | **2022** | **2021** |
| **Research and development** | $ 12,318 | $ 6,262 |
| Non-GAAP adjustments: | | |
| Stock-based compensation expense | (1,427) | (201) |
| Non-GAAP research and development | $ 10,891 | $ 6,061 |
| Non-GAAP research and development as a % of revenue | 32 % | 29 % |

| | Three Months Ended March 31, | |
|---|---|---|
| | **2022** | **2021** |
| **Sales and marketing** | $ 16,419 | $ 7,876 |
| Non-GAAP adjustments: | | |
| Stock-based compensation expense | (821) | (83) |
| Non-GAAP sales and marketing | $ 15,598 | $ 7,793 |
| Non-GAAP sales and marketing as a % of revenue | 45 % | 37 % |

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| **General and administrative** | $ 8,519 | $ 4,053 |
| Non-GAAP adjustments: | | |
| Stock-based compensation expense | (798) | (196) |
| Non-GAAP general and administrative | $ 7,721 | $ 3,857 |
| Non-GAAP general and administrative as a % of revenue | 22 % | 18 % |

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| **Loss from operations** | $ (11,757) | $ (2,848) |
| Operating margin | (34)% | (13)% |
| Non-GAAP adjustments: | | |
| Stock-based compensation expense | 3,206 | 488 |
| Non-GAAP loss from operations | $ (8,551) | $ (2,360) |
| Non-GAAP operating margin | (25)% | (11)% |

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| **Net loss attributable to common stockholders** | $ (11,849) | $ (2,928) |
| Non-GAAP adjustments: | | |
| Stock-based compensation expense | 3,206 | 488 |
| Non-GAAP net loss attributable to common stockholders | $ (8,643) | $ (2,440) |
| Non-GAAP net loss per share | $ (0.15) | $ (0.18) |
| Weighted average shares used to compute basic and diluted net loss per share | 57,972 | 13,388 |
| Non-GAAP income attributable to common stockholders as a % of revenue | (25)% | (12)% |